



Subsidy Control Act 2022

2022 CHAPTER 23

PART 2

SUBSIDY CONTROL REQUIREMENTS

CHAPTER 2

PROHIBITIONS AND OTHER REQUIREMENTS

Ailing or insolvent enterprises

22 Liquidating deposit takers or insurance companies

- (1) A subsidy to an ailing or insolvent deposit taker or insurance company within subsection (2) is prohibited by this section unless the conditions in subsections (3) to (5) are met.
- (2) A deposit taker or insurance company is within this subsection if it cannot be credibly demonstrated that it is capable of being returned to long-term viability.
- (3) The condition in this subsection is that the subsidy is given to the deposit taker or insurance company for the purpose of ensuring its orderly liquidation and exit from the market.
- (4) The condition in this subsection is that the public authority giving the subsidy is satisfied that—
 - (a) the subsidy is limited to what is needed for the purpose mentioned in subsection (3), and
 - (b) the subsidy is limited so as to minimise its negative effect on—
 - (i) competition or investment within the United Kingdom,
 - (ii) trade between the United Kingdom and countries and territories outside the United Kingdom, and

Changes to legislation: There are currently no known outstanding effects for the Subsidy Control Act 2022, Section 22. (See end of Document for details)

- (iii) investment as between the United Kingdom and countries and territories outside the United Kingdom.
- (5) The condition in this subsection is that the beneficiary of the subsidy, its shareholders, its creditors or the business group to which the beneficiary belongs—
- (a) have contributed significantly to the liquidation costs from their own resources, or
 - (b) have a contractual obligation to do so.

Commencement Information

- I1** S. 22 not in force at Royal Assent, see [s. 91](#)
- I2** [S. 22](#) in force at 4.1.2023 by [S.I. 2022/1359](#), [reg. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Subsidy Control Act 2022, Section 22.